

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION
FEB 15 2001

Michael N. Milby, Clerk of Court

IN RE:

VENTURI TECHNOLOGIES, INC.
Tax I.D. No. 87-0580279

Debtor.

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CASE NO. 01-31443-H4-11

**ORDER AUTHORIZING PAYMENT OF PREPETITION WAGES,
SALARIES, REIMBURSABLE EMPLOYEE EXPENSES
AND OTHER EMPLOYEE-THIRD PARTY DEDUCTED PAYMENTS**

The Court has considered the Emergency Motion for Authority to Pay Prepetition Wages, Salaries, Reimbursable Employee Expenses and Other Employee-Third Party Deducted Payments (the "Motion") filed by the Debtor seeking an order authorizing the Debtor to pay prepetition wages, salaries, reimbursable employee expenses, and other employee benefits. The Court having reviewed the Motion, the representations set forth therein, the representations of counsel and any opposition, including the position of the United States Trustee, finds and concludes as follows:

1. This Court has jurisdiction over the subject matter of this proceeding pursuant to 28 U.S.C. § 1334. The Motion presents a core proceeding pursuant to 28 U.S.C. § 157(b)(2).
2. Debtor have given adequate notice of the Motion.
3. As of the Petition Date, the Debtor employed 234 Employees.
4. As described more fully below, the Employees have claims against the Debtor/Team America that may include wages, salaries and reimbursable business expenses (the "Prepetition Employee Claims").
5. The Employees are paid every second Friday, for the previous two week period. As of February 12th, 2001, the Debtor estimates that the Employees were owed approximately \$195,000 in accrued but unpaid wages.

6. The payroll to the Employees disbursed on February 2, 2001 for Employees, as well as the payroll to the Employees due on February 16, 2001, will include pay for workdays that occurred in the prepetition period.

7. Attendant to the payment of payroll obligations is Debtor's obligation to pay federal and state withholding taxes and other related employment taxes with respect to payroll obligations previously paid and that additional sums will be withheld with respect to accrued and as yet unpaid prepetition payroll obligations.

8. Additionally, before the Petition Date, many of the Employees incurred a variety of business expenses that are reimbursable under the Debtor's ordinary prepetition business practices. Debtor estimates that as of the Petition Date less than \$10,000 of such reimbursement obligations were outstanding.

11. The payroll checks are distributed by Team America who also sets aside the appropriate withholdings associated with the Employee's wages. The checks to Employees were last issued on February 2, 2001. The Debtor issued a check to Team America for the February 2, 2001 payroll on February 7, 2001 drawn on Debtor's account with the Colorado Business Bank, account number 3065731.

12. Because certain expense reimbursements were paid with checks drawn on the Debtor's account, it is not practicable to direct that those outstanding checks be honored. To ensure that Employees receive the prepetition compensation and expense reimbursements authorized by this Order, the Debtor must issue new, postpetition checks to the extent such is necessary to maintain prepetition treatment.

13. On Debtor's behalf Team America makes deductions from the Employees' payroll checks and subsequently pay those funds to various third parties for certain other obligations of the

Employees (collectively, the “Payroll Deductions”). The non-Health Benefit related deductions are for such items as Court ordered child support payments, the 401K Plan deductions, and the deductions for the Employees’ cafeteria plan. The Debtor owns no interest in the Payroll Deductions as they are funds held in trust for the Employees.

14. The relief requested in the Motion is necessary to preserve the value of the Debtor’s estate and is in the best interest of the Debtor’s estate, its creditors, and all parties in interest.

15. The relief requested in the Motion should be granted.

16. The relief requested in the Supplemental Motion shall be granted.

IT IS THEREFORE

ORDERED that the Debtor/Team America is hereby authorized to pay payroll in the ordinary course of its business, including payment of compensation for services rendered during the prepetition period.

ORDERED that the Debtor is hereby authorized to reimburse Employees for accrued but unpaid prepetition expenses incurred in the ordinary course of the Debtor’s business, including but not limited to the checks in the amount of approximately \$10,000 for expenses submitted as of February 12, 2001; and it is further

ORDERED that Team America, on behalf of the Debtor, is authorized to continue to disburse employee payroll deductions to the applicable third parties in accordance with the policies, plans, and programs that were in place prior to the Petition Date; and it is further

ORDERED that the Debtor, through the Colorado Business Bank, is hereby authorized to receive, process, honor, and pay any and all checks drawn on its account, whether the check is dated prior to or after the Petition Date in accordance with the ordinary course of business with regard thereto, provided sufficient funds exist to cover such payment; and it is further

ORDERED that the Debtor may reissue new, postpetition checks to replace checks issued prepetition and not previously honored with respect to prepetition expense reimbursement obligations; and it is further

ORDERED that the Debtor is authorized to pay all costs incident to payment of those Prepetition Employee Claims authorized to be paid pursuant to this Order, including payroll-related taxes and processing costs, in the ordinary course of business; and it is further

ORDERED that the Debtor/Team America is authorized, but not compelled, to continue to make payment of all contributions of the Employees for the Debtor's Cafeteria Plan and 401K Plan to the administrators of such plans as such benefits were provided prepetition; and it is further

ORDERED that nothing herein shall be deemed to be an assumption of any executory contract by the Debtor; and it is further

ORDERED that all such payments identified herein relating to any prepetition claims shall apply and satisfy, to the extent of, and limited to \$4,300 for each individual, each Employee's priority claim as defined in 11 U.S.C. § 507(a)(3).

ORDERED that Venturi may treat its Direct Employee in the same manner as Debtor has requested treatment of the Leased Employees.

SIGNED this 14th day of Feb, 2001.


UNITED STATES BANKRUPTCY JUDGE

Order Submitted By:

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ATTORNEYS FOR DEBTOR